ISDN-Net, Inc.

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AUG - 7 1998

July 31, 1998

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Jacqueline B. Shrago
Project Director, ConnecTEN
Tennessee Department of Education
710 James Robertson Parkway
Nashville, Tn. 37243

CC Docket No. 96-45

Dear Ms. Shrago,

On behalf of the Tennessee Department of Education ("Department") you have asked me to provide you with our views on two issues, which I understand are important to the application that Schools and Library Corporation is reviewing. As an Internet Service Provider familiar with the Commission's Rules, we believe that our engineering and communications expertise may be of assistance to you.

In addition to being an Agent of BellSouth, my company is also an Agent of AT&T. My company provides state-wide Internet connection service utilizing the exact mix of ISDN and Fast Packet network services that is being used in the ConnecTEN Tennessee Education Network. I also serve as President of the Tennessee Internet Service Providers Association.

First, we have been asked whether, in our informed view, the Internet service requested by the Department in its RFP No. 97-2, (and provided by ENA, in response to that RFP, and under Contract No. FA-99-12803-00), is an "Internet Service". It is our view that it is an Internet service as set forth in the Commission's Universal Service Rules (47 CFR Section 54). This view is based on our understanding of both the letter and spirit of the Rules, and on our familiarity with common Internet services in the industry, including business Internet services such as those we provide, and those provided by other established Internet Service Providers. It may be significant to note as well, that this service, in our view, does not include "internal connections" under the Rules. This is in accordance with the request of the RFP, our knowledge of pre-existing internal connections, and the design and function of the routers being installed in the Tennessee situation.

I would further emphasize that it is a common practice in the industry for the Internet Service Provider to own, maintain and control the router located at the customer location. For Fast-Packet networks, it is *uncommon* for the ISP to even allow the option of client control of the router.

Second, we have been asked our view, based on our industry experience, our knowledge of the ENA network contract, and our experience as an Internet Service Provider to other schools, if the services are "substantially similar" to the ISIS 2000 service description. It is our view that they are very different services, in fact, under the Commission's Rules. For example, if a school district owns the single point of connection with the selected ISP, that school would create a school-owned Wide Area Network (WAN), thus accepting part of the customary role of the ISP and taking responsibility for router ownership, control and maintenance. In such case, the routers and connections would not be eligible for USF discount (as in the proposed ISIS 2000 network). In contrast, if a school requests the ISP to monitor, own, maintain and control the router in the school, then Internet service is delivered to the point at which the school's internal network begins, and is thus fundable by the USF as Internet service. This is the Internet service offered in the ENA contract. The ISIS 2000 example shifts risk, responsibility and ownership of the router and a WAN to the school, whereas, the ENA example allows the schools' responsibility to be limited to internal connection elements.

Client router control (allowing each school or business to maintain router control) in a fully-meshed network can introduce significant risks for all clients. A mistake in router control can disrupt service on the entire network. ISPs have been forced in recent years to provide the option of client router control because some clients insist on owning and controlling all onsite equipment. However, Internet service reliability levels drop significantly when client router control is allowed. It is significant to note that most business clients who have in-house expertise to manage routers, prefer to allow their ISP to maintain and control the egress router at their connection site. This is because they know that their long term Internet service costs will be lower and their Internet reliability will be higher. Thus router ownership and control is typically part of Internet service.

In brief, based on legal issues, Rules and common practice, it is our view that the services provided in the two approaches are very different. Based on engineering and financial issues it is also our view that the ENA approach provides a more stable operational Internet service that can be operated at significantly lower cost, as a whole, for the requirements of the sizeable amount of service required for the Tennessee schools.

I hope that these views are helpful to you in your consideration.

Sincerely,

ISDN-Net, Inc.

By: Lew Russell, Vice President

CERTIFICATE OF SERVICE

I, Christine L. Zepka, hereby certify that copies of the foregoing letter were mailed, postage prepaid, on this 7th day of August, 1998, via first class mail, to the following individuals at the address listed below:

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